

# State Health Benefits Program Retired Coverage Under Chapter 330

Police and Firemen's Retirement System • Law Enforcement Officers

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Some employers will pay for health benefits coverage for their retired employees. For those who do not, Chapter 330, P.L. 1997, provides eligibility for enrollment in the State Health Benefits Program (SHBP) to certain retired local police officers and firefighters with part of the cost paid by the State. It applies to those who have retired with 25 or more years of pension service credit, or on a disability retirement from an employer who does not provide any payment towards the retiree's health coverage or reimbursement of Medicare Part B premiums. You need not be covered by the SHBP while employed to qualify for enrollment. You may enroll yourself, your spouse or an eligible same-sex domestic partner,\* and your unmarried dependent children under the age of 23 who live with you.

## ELIGIBILITY

Eligible participants must be retired from the Police and Firemen's Retirement System, the Consolidated Police and Firemen's Pension Fund, or from the Public Employees' Retirement System as a law enforcement officer. A qualified Chapter 330 participant is one who:

- was eligible for health benefits coverage with the employer immediately preceding retirement;
- retires with 25 or more years of pension service credit or on a disability retirement;
- is not receiving any post-retirement medical benefit from his or her employer, according to the contract in effect on July 1, 1998; and
- has no other employer group coverage as an "employee" as a result of other employment while retired.

The Division of Pensions and Benefits has surveyed local employers on their health benefit policies for retirees and, based on that information, determined eligibility for retirees regarding enrollment after they apply for retirement. If the Division is able to determine that

you meet the Chapter 330 eligibility requirements, the Division will send you an offering package which includes a *SHBP Retired Status Application* to complete. If the Division is unable to definitively determine your eligibility, you will receive a notification with a certification for you and your employer to complete, sign, and return (certifying whether or not you are eligible for employer-paid post-retirement health benefits coverage or reimbursement from the employer). Once the Division receives the completed certification indicating that you are not eligible for health benefits or reimbursement of such, you will receive an offering package.

If you do not enroll in the SHBP at the time of retirement, you will have a second chance to enroll when you qualify for enrollment in Medicare. This occurs when you reach age 65 or earlier if you are receiving Social Security disability payments. If you already qualify for Medicare at the time of retirement, your only chance to enroll in the SHBP will be at retirement.

This law was not intended to be an incentive for an employer to do less for its retirees. The Division will refer to the contracts and ordinances in effect on July 1, 1998, to determine retiree eligibility. Therefore, if your employer discontinues your paid health benefits coverage sometime in the future, you will not be eligible for Chapter 330 benefits.

## WHAT PLANS ARE AVAILABLE AND WHO PAYS

Eligible retirees may enroll in any medical plan offered through the SHBP. These include **NJ PLUS**, the **Traditional Plan**, or one of several **HMOs**. The State will pay 80 percent of the cost of the **least expensive plan** offered by the SHBP for the level of coverage selected (Single, Member and Spouse/Domestic Partner, Family, or Parent and Child/Children). The retiree pays the remaining cost of the chosen plan.

The cost to the retiree varies by coverage level (Single, Member and Spouse/Domestic Partner, etc.) and is subject to change every year as plan rates are renewed.

**Your employer may not reimburse you for your Chapter 330 costs. To do so would disqualify you for coverage under this law.**

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\*For more information about SHBP benefits for domestic partners, including eligibility requirements, see Fact Sheet #71, *Benefits Under the Domestic Partnership Act*.

**MEDICARE COVERAGE AT AGE 65**

Retired members of the SHBP or their dependents (including members on a disability retirement) who are eligible for Medicare must enroll in both Part A (hospital insurance) and Part B (medical insurance) of Medicare. Proof of enrollment is required. Acceptable proof would be a photocopy of the Medicare identification card reflecting both Part A and Part B effective dates or a letter of confirmation from Social Security stating the effective dates of Medicare Part A and Part B enrollment. If you and/or your spouse or eligible domestic partner are age 65 at retirement and have not enrolled in both Part A and Part B of Medicare, you should contact Social Security to apply for full Medicare coverage before your retirement date.

The cost of Chapter 330 coverage generally decreases when you or your spouse/domestic partner enroll in the full Medicare program. Medicare will be the primary payer of your claims.

**DEFERRING CHAPTER 330 BENEFITS IF COVERED BY ANOTHER HEALTH PLAN**

If you are otherwise eligible to enroll in Chapter 330 coverage but you are currently covered under another health insurance policy, you may be eligible to enroll under Chapter 330 at a later date. The following explains under what circumstances you will become eligible for enrollment.

- If you have health benefits for a specific period of time through the employer from which you retired, you may enroll in the SHBP within 60 days of the date when that employer-provided coverage ends.
- If you have health benefits as a dependent of a spouse, or eligible same-sex domestic partner, whose health insurance is through an employer-provided group plan, you may enroll in the SHBP within 60 days of the loss of that dependent coverage. The effective date of coverage would be the date the employer-provided coverage ends.
- If you have health benefits from other employment while retired and those benefits end, you may enroll in the SHBP within 60 days of the loss of the other coverage.

**It is the retiree's responsibility to send written notification to the SHBP within 60 days of the qualifying event that may entitle the retiree to coverage under Chapter 330.**

**SURVIVING DEPENDENTS**

In the event the retiree should pre-decease his or her spouse or eligible domestic partner, the surviving spouse/partner may continue coverage provided that the surviving spouse/partner was covered by the SHBP as a dependent at the time of the retiree's death. The surviving spouse/partner is responsible for paying for the full cost of the coverage.

If there is no surviving spouse or eligible domestic partner, a child, who was covered as a dependent under the SHBP at the time of death and receiving a survivor's pension benefit, could remain in the SHBP by paying the full cost of coverage as long as the pension benefit continues, normally to age 18. When the pension benefit ends, they would be able to continue their health benefits under the provisions of federal COBRA law at their own expense for up to three years.

**FOR MORE INFORMATION ABOUT CHAPTER 330**

If you would like more information about Chapter 330, or if you believe that you may be eligible for Chapter 330 coverage but have not been contacted by the SHBP, please write to the Division of Pensions and Benefits and ask about your Chapter 330 eligibility. Provide your name, your retirement or Social Security number, and the following three pieces of information:

1. The name of your former employer;
2. Whether you are receiving any payment from that employer for your health benefits or Medicare reimbursement; and
3. Whether you have other health benefits coverage from any current employment.

Address your letter to the State Health Benefits Program, New Jersey Division of Pensions and Benefits, PO Box 299, Trenton, NJ 08625-0299. Or you can e-mail the Division at:

*pensions.nj@treas.state.nj.us*

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